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INVESTING IN THE FUTURE

A Survey of Northeast Florida Nonprofit Organizations



NonprofitCenter
of Northeast Florida

INVESTING IN THE FUTURE

Survey conducted July 2014

Respondents required to have annual revenues \geq \$250,000

Lengthy survey: 79 questions

Instructions provided in advance

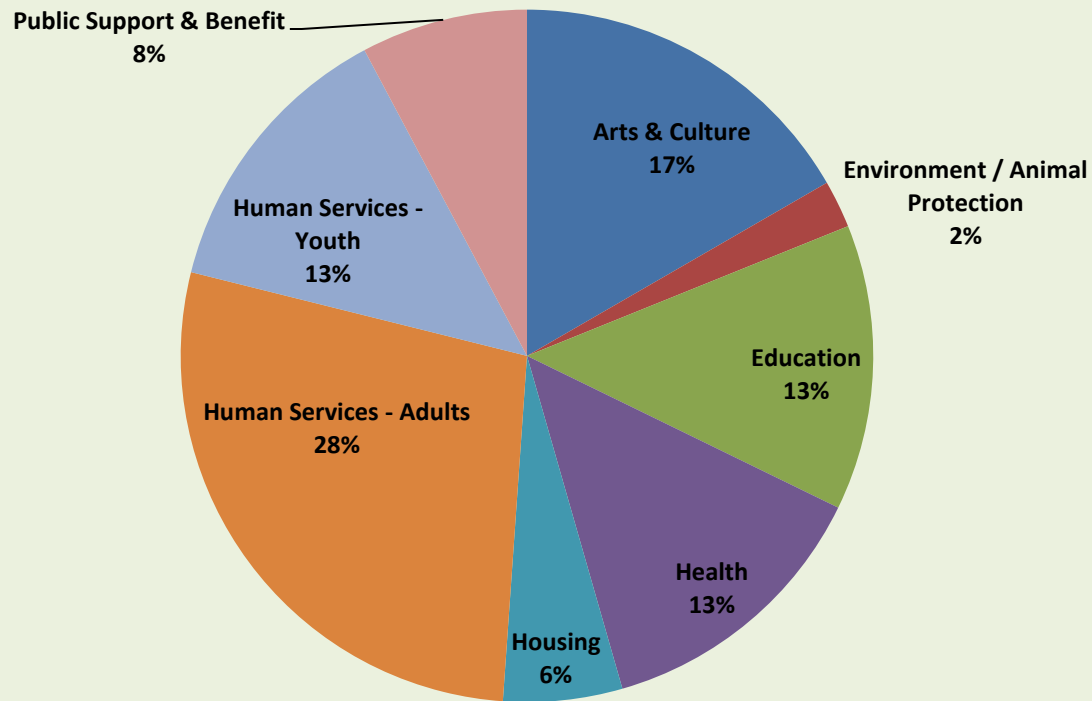
Survey completed online

Survey developed by Trinita Logue, president of IFF, one of the nation's leading community development financial institutions, in collaboration with the Nonprofit Center of Northeast Florida and the Jessie Ball duPont Fund.



INVESTING IN THE FUTURE

90 Organizations Responded



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Respondents Were Predominantly:

Small organizations

Budgets \$1M - \$5M or <\$1M

10 or fewer FTE or 10-50 FTE

Young organizations (less than 25 years old)

Headquartered in Duval County

Serving locally

New leadership – CEOs with <5 years tenure



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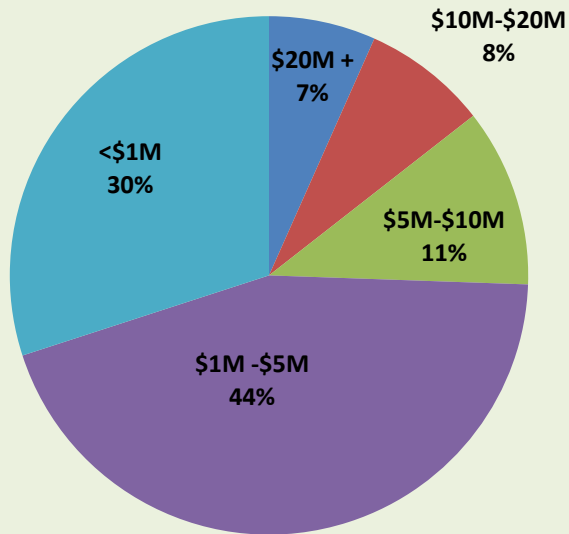
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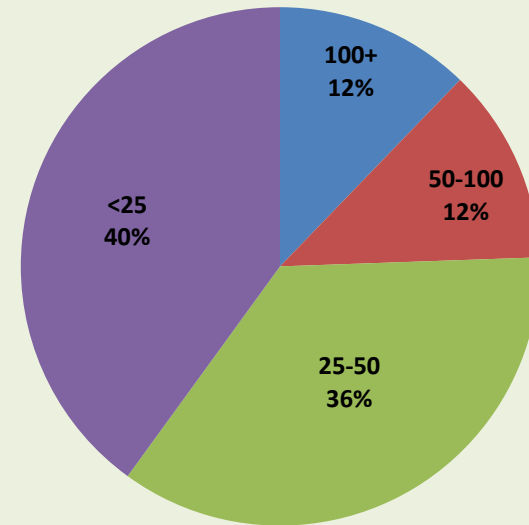
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Budget Size
(all respondents)

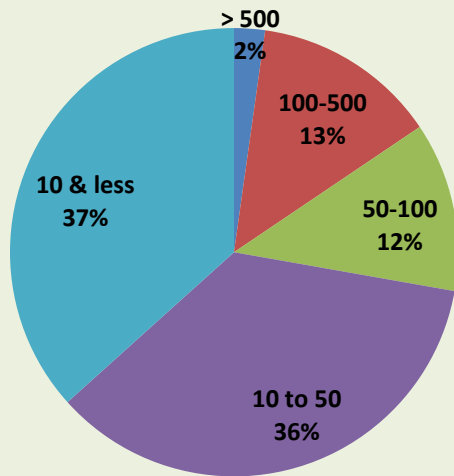


Age of Organization -Years
(all respondents)

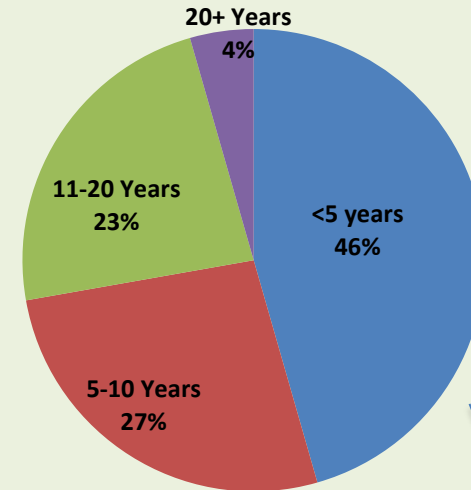


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Employees – FTE
(all respondents)



CEO Tenure
(all respondents)



14% will retire within a year; Likelihood of retirement greatest among those with 20+ years and those with 5-10 years tenure.



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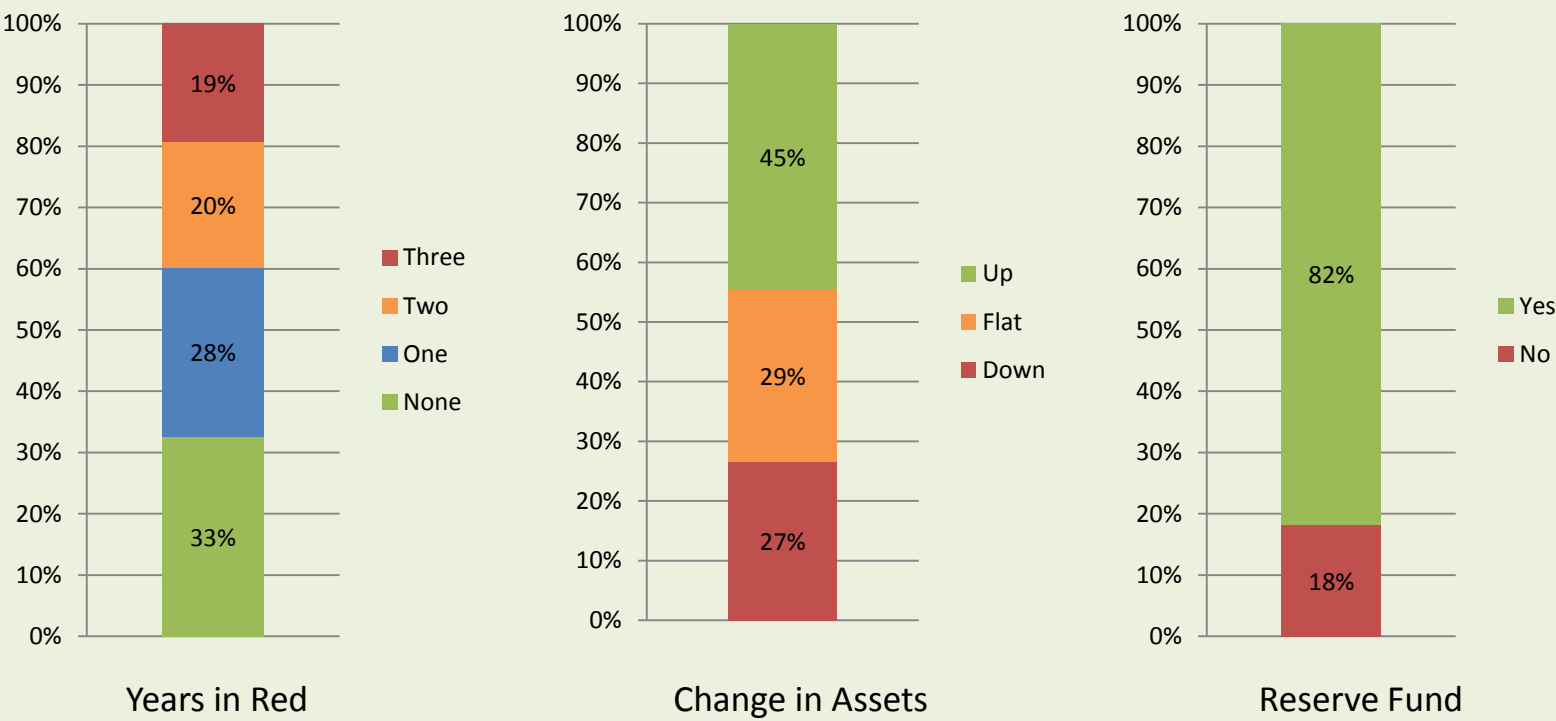
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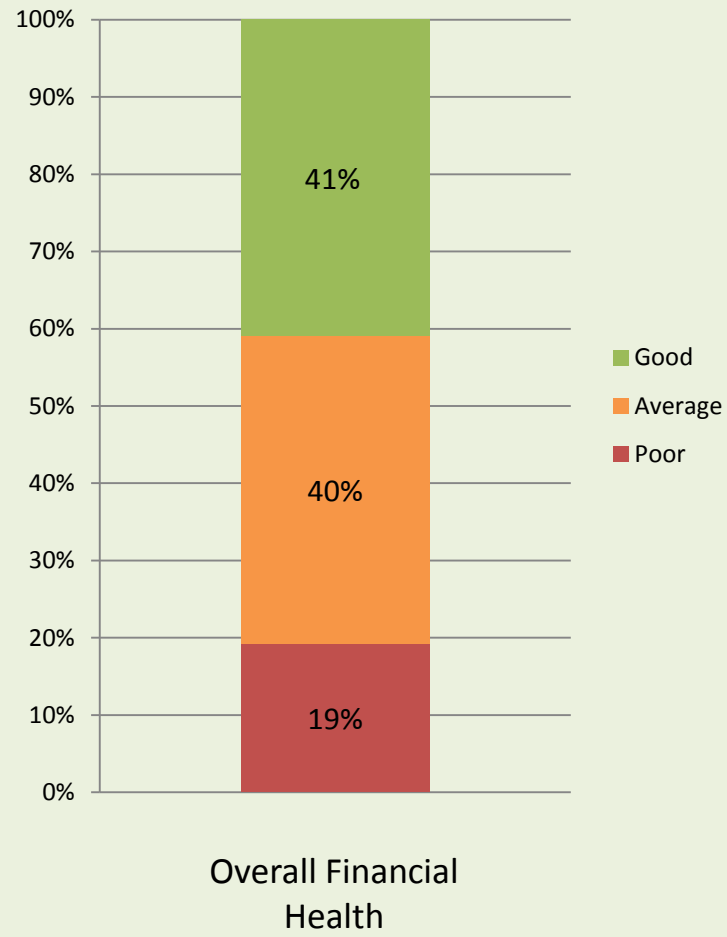
FINANCIAL HEALTH



Three most recent fiscal years

FINANCIAL HEALTH

Years in Red
+
Change in Assets
+
Reserve Fund
=



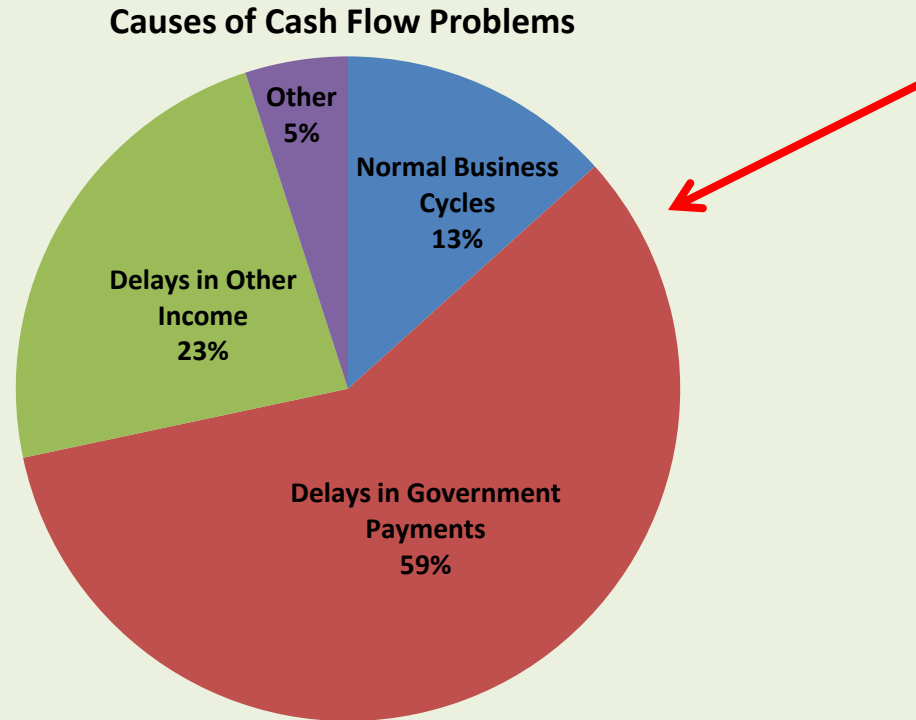
FINANCIAL HEALTH

Sources of Funding

	<10%	10-49%	>50%
Government Funding	43%	24%	32%
Giving (Individual, Foundation, Corporate, Special Events, United Way)	65%	29%	6%
Earned Income	63%	24%	12%

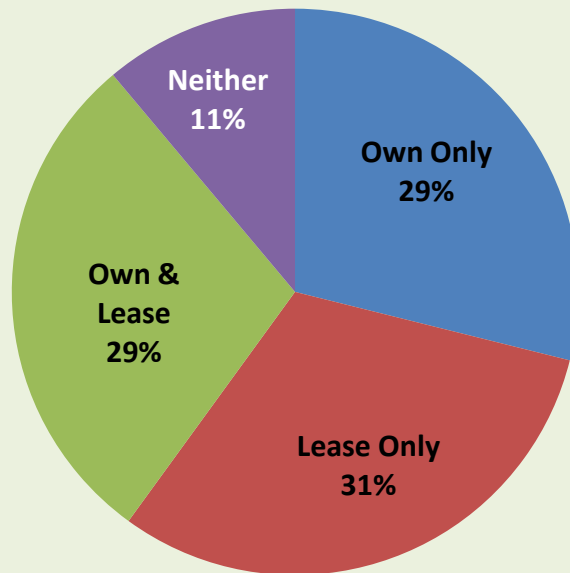
FINANCIAL HEALTH

60 of the 90 organizations have experienced cash flow problems.

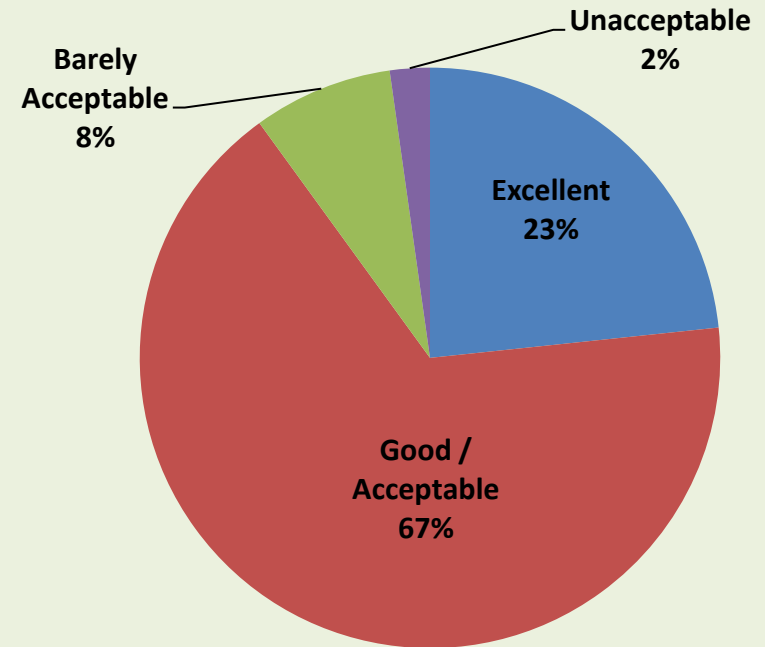


FACILITIES

Facility Ownership

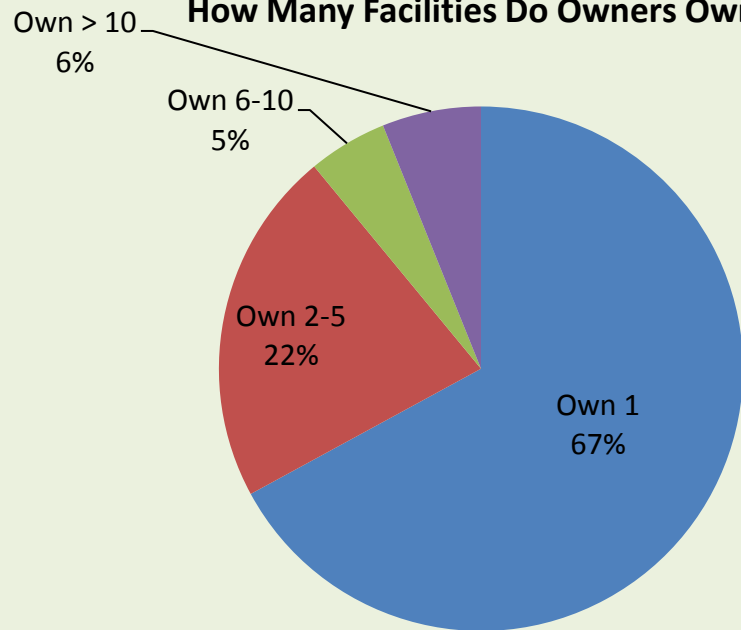


Condition/Quality of Facilities

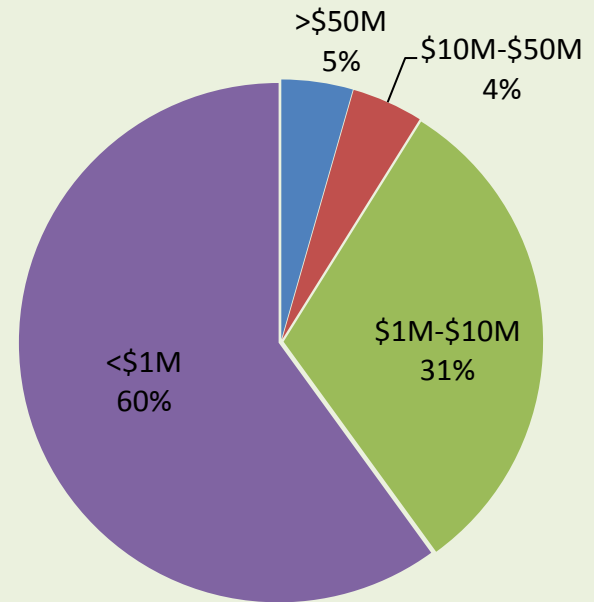


FACILITIES

How Many Facilities Do Owners Own?



Approximate Value of Owned Facilities

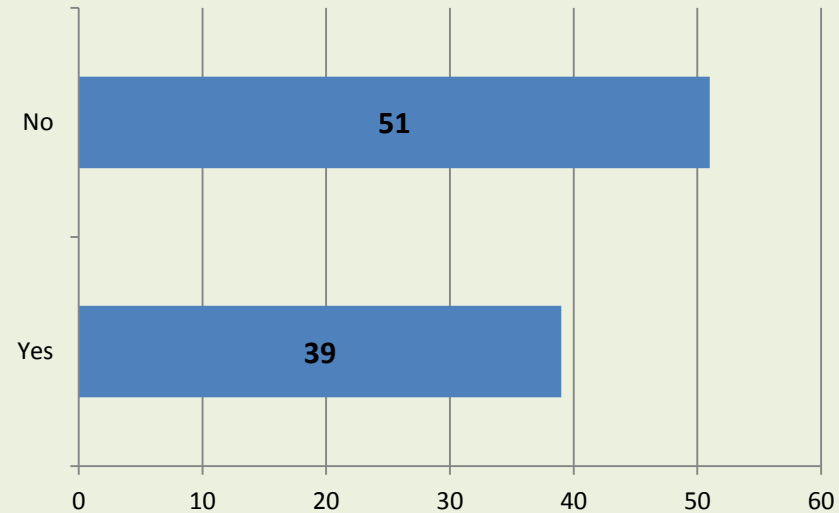


52 organizations own facilities.

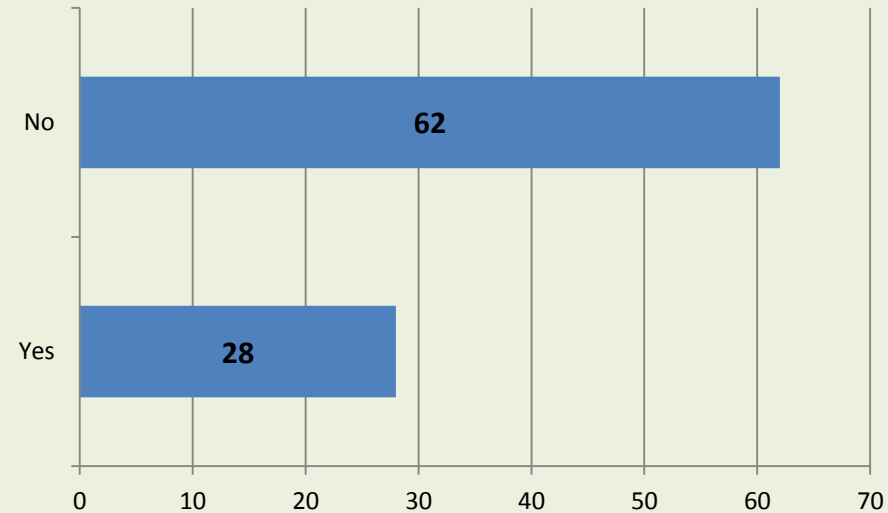
Only 18 (34%) of those have a mortgage or loan secured by the property.

ASSETS & DEBT

Has organization ever used debt?



Used debt in last 3 years?



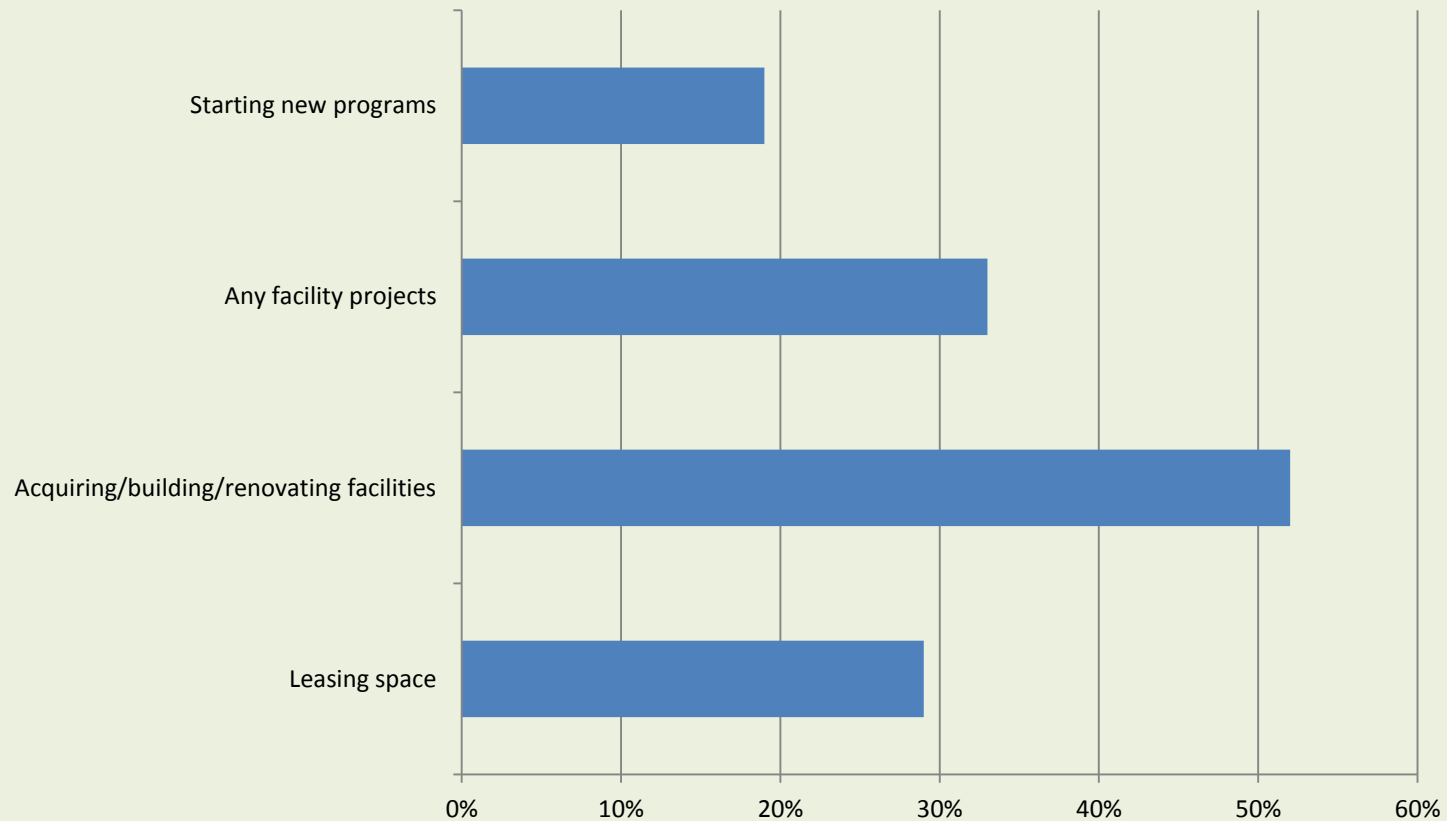
ASSETS & DEBT

Reasons for Using Debt in Last 3 Years

Building/property acquisition or mortgage	11
Refinancing	9
Equipment purchase	6
Cash flow	6
Maintenance or renovation	5
New program	4
Emergency	3
Other	3

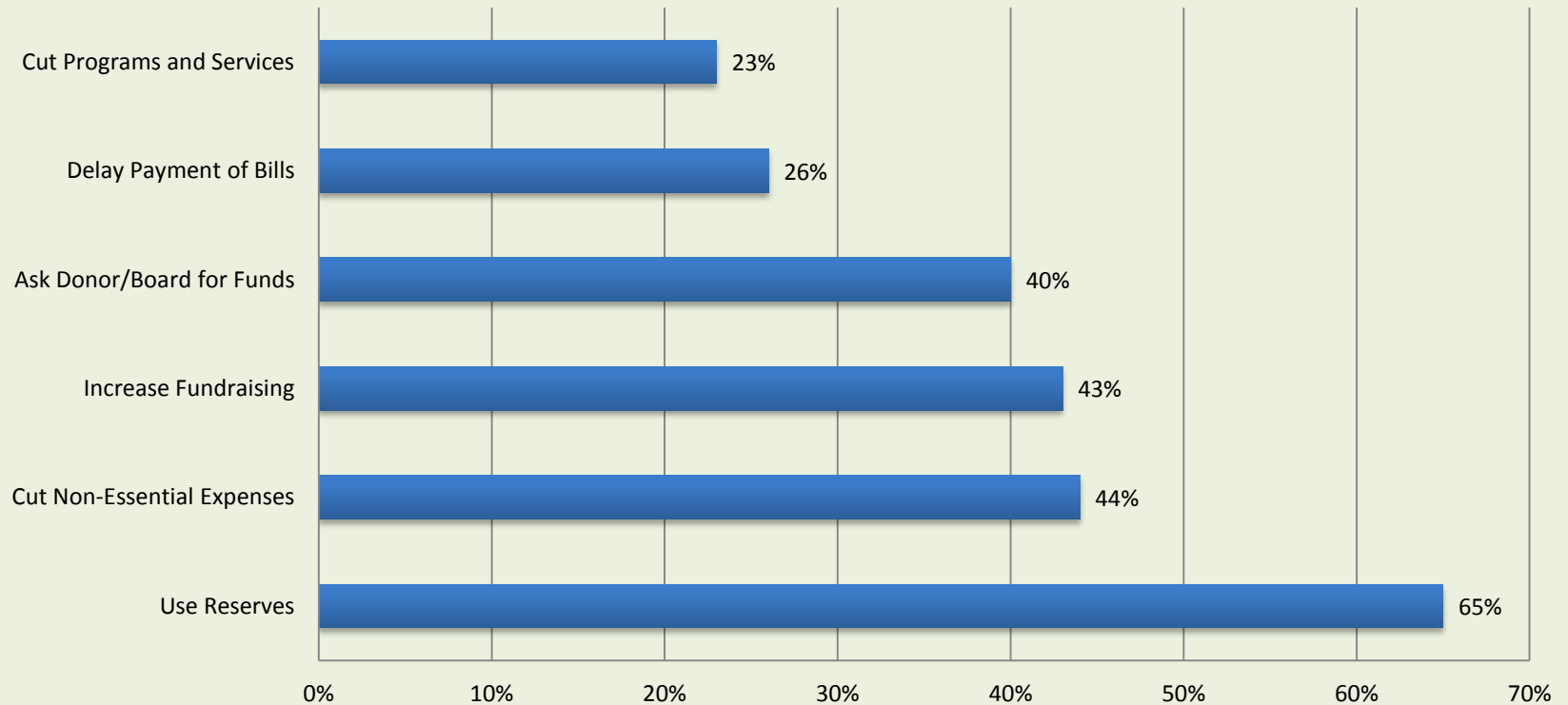
ASSETS & DEBT

Percent That Would Consider Future Debt for...



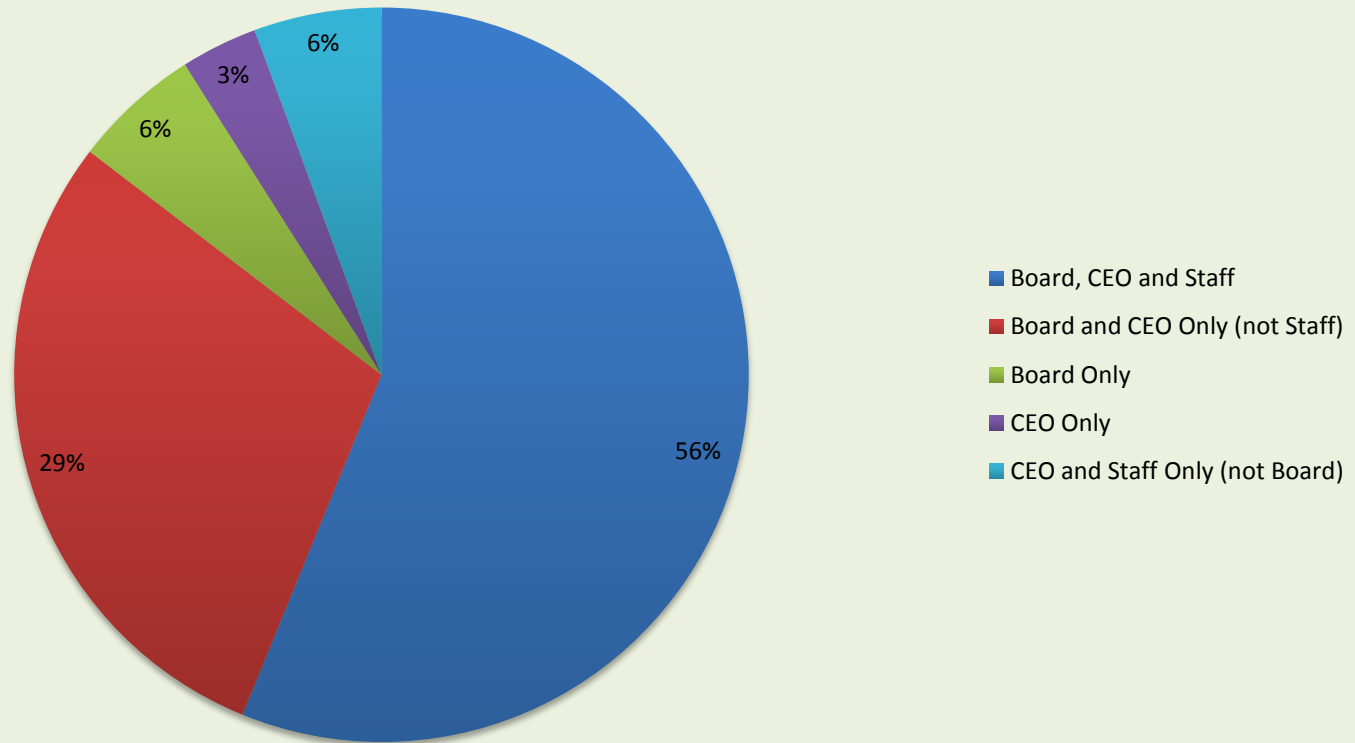
ASSETS & DEBT

To Address Cash Shortfall, % of Organizations That Would...



GOVERNANCE & FINANCIAL OVERSIGHT

Who is responsible for the financial success of the organization?



GOVERNANCE & FINANCIAL OVERSIGHT

Organizations with:

Board Finance Committees	80
Separate Audit Committees	19
Staff Finance Director/Business Manager	74
Staff Development Director	53



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GOVERNANCE & FINANCIAL OVERSIGHT

Does the Board engage in financial planning for the organization?

Yes 67

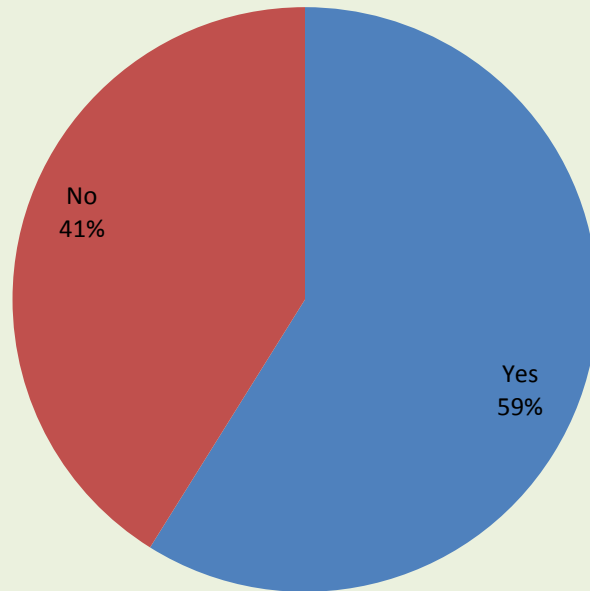
Does the organization have a multi-year financial plan that is updated regularly?

Yes 75



GOVERNANCE & FINANCIAL OVERSIGHT

Does the organization have alliances or partnerships with others for efficient operations or program cost saving?



What are the barriers to collaborations?

- Resources (money, staff & time)
- Mission compatibility
- Scope & trust
- Egos
- Turf
- Structures
- Location and logistics
- Legal
- Funding restrictions

SUMMARY

Organizations trend small and young with new leadership.

Financial health good but should not overlook 20% with poor financial health.

Catch-22: one-third rely on government for more than 50% of their funding.

2/3 have cash flow problems, primarily caused by slow government reimbursements.

Debt-averse sector: more than half say they have never used debt.



Questions or Comments?



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So....
What now?



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Learning Opportunities:

March 31, 2015 Responsible Use of Debt to Grow Capacity
Speaker: Barbara Libove, Freelancers Union

June 2015 Managing Cash Flow

August 2015 Changing the Conversation
About Nonprofit Overhead

OMB Uniform Guidance

ACKNOWLEDGEMENTS

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TO LEARN MORE ...

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